

# United States Senate

WASHINGTON, DC 20510-1804

June 26, 2014

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The Honorable Tom Wheeler  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Wheeler:

Local newscasts are a key source of daily information to citizens of Louisiana, especially in smaller or more rural markets and particularly in times of emergency. Unfortunately, market pressures in the broadcasting industry are making it harder for smaller stations to survive. If regional stations go dark, Louisiana constituents will be the ultimate losers.

As a result of the FCC's decision to count JSAs between television stations as ownership interests, many existing agreements will have to be unwound unless specific waivers are granted. These existing agreements were consistent with the law and rules at the time they were executed, and business plans for small, local broadcasters have been built around them. Forcing these local broadcasters to rely on the speculative possibility of a waiver creates substantial business challenges in smaller markets.

Additionally, I am concerned that the new JSA rules going forward will unnecessarily foreclose many agreements that have resulted in improved local service and a more robust broadcast industry in smaller markets where stations may, absent a JSA, struggle to generate sufficient advertising revenue to support the production of locally oriented programming.

I believe the Commission can successfully address these concerns within the framework of the existing rules and, therefore, urge the Commission to adopt a waiver policy that does not penalize JSAs that were structured and executed in smaller, local markets prior to the issuance of the new rules. In addition, the Commission's waiver policy going forward should favorably regard JSAs that promote more or better local news, public affairs and emergency information, diverse programming such as foreign language and expanded ownership opportunities for minorities and women in broadcasting.

Thank you for consideration of these issues.

Sincerely,



Mary L. Landrieu  
United States Senator



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

July 22, 2014

The Honorable Mary Landrieu  
United States Senate  
328 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Landrieu:

Thank you for your letter expressing concerns regarding the Commission's March 31, 2014, action to attribute certain Joint Sales Agreements (JSAs) between television stations. I appreciate the opportunity to provide you with some additional context for the decision.

Our action should not have been a surprise to the industry. Stations have been on notice of potential regulatory action on JSAs since 2004 when the Commission first started a proceeding proposing to attribute JSAs where one station sells 15 percent or more of the weekly advertising time on behalf of another station in the same market. The concern then – as it is today – was that the use of such JSAs provides the incentive and potential to unduly influence the core operating functions of the brokered station, including programming decisions. In finalizing our decision, we sought additional comment in the 2010 Quadrennial Review on these issues and also considered the evidence from our license transfer application process, where we have reviewed an increasing number of JSAs in recent years. These JSAs have generally involved the sale of 100 percent of the advertising time of the brokered station in conjunction with a number of other operational and financial arrangements between the stations. It is also clear that in many instances such arrangements reduce or homogenize local news.

The existing agreements between stations cited in your letter are the result of a business practice that evolved to circumvent the Commission's local TV ownership rules that promote competition and viewpoint diversity by restricting the common-ownership of more than one station in small and medium-sized markets. Our action was necessary to close this loophole in the rules and enforce the restrictions we have on the books. The adoption of the new JSA attribution rules will require adjustment for some stations in the industry, which is why we allowed a two-year period for stations to come into compliance from the effective date of the rules.

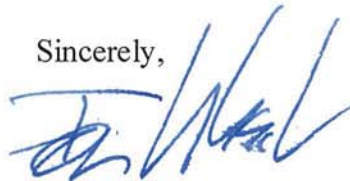
I do recognize that there could be some exceptions where attributing a JSA for purposes of our ownership rules could be in the public interest, which is why we adopted an expedited waiver process. I believe that adopting the rule with a waiver process will better protect competition, localism, and diversity than merely grandfathering existing agreements. I agree with you that the Commission should – and will – look to all of the facts presented in a waiver request, including the impact of the JSA on the ability of the brokered station to continue to serve

their communities. I encourage any station that believes its existing JSA is in the public interest to file a waiver request early in this period.

For stations that have pending license transfer applications that involve JSAs, Shared Services Agreements (SSAs), and other financial agreements, the Media Bureau is actively working with the parties to discuss possible amendments to those applications, where necessary. I strongly support the close scrutiny that the Bureau must apply to ensure that these proposed agreements do not result in undue influence or control. Since mid-March, the Bureau has granted 50 full-power television assignment and transfer of control applications, which represent 20 separate transactions. The Bureau staff will continue to process other pending applications.

I hope this information is helpful.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Wheeler", with a stylized, flowing script.

Tom Wheeler